

FISCAL MEMORANDUM

HB 3059 - SB 3042

April 11, 2008

SUMMARY OF AMENDMENT (016847): Deletes the language of the original bill. This amendment rewrites the open container law. Creates a Class C misdemeanor for any person who possesses an open container of an alcoholic beverage while occupying the passenger area of a vehicle that is on a public highway or right-of-way of a public highway. Drivers of vehicles who possess open containers of alcoholic beverages while operating motor vehicles on the roadway remains a Class C misdemeanor. Both offenses become punishable by a mandatory \$50 fine. Requires the courts to defer further proceedings for certain individuals without entering judgments of guilty against the defendants for a period of six months under certain circumstances.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue - \$92,600
Increase State Expenditures - \$9,700/One-Time
\$82,100/Recurring

Increase Local Revenue - \$4,900
Increase Local Expenditures – Not Significant

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Revenue – Net Impact - \$10,100
Increase State Expenditures – Not Significant

Increase Local Revenue – Not Significant
Increase Local Expenditures – Not Significant

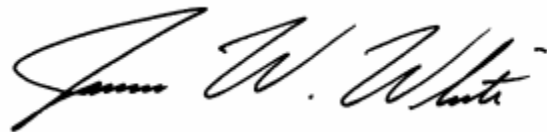
Assumptions applied to amendment:

- According to the Department of Safety (DOS), there are approximately 650 annual violations for driving while possessing an open container of an alcoholic beverage. DOS estimates the fine for such offenses to average \$40 under current law.

- DOS estimates approximately 675 additional offenses per year for persons possessing open containers of alcoholic beverages while occupying the passenger area of motor vehicles which are on the roadway.
- The increase of fines issued is estimated to be \$40,300 $[(650 \times \$10 \text{ increase}) + (675 \times \$50) = \$40,250]$ per year.
- Twenty-five percent will not pay fines due to indigence.
- The increase of fine revenue is estimated to be \$30,200 $(\$40,300 \times 75\% = \$30,225)$ per year.
- County clerks receive five percent of fines as commission.
- The increase of local government revenue attributable to fines is estimated to be \$1,500 $(\$30,200 \times 5\% = \$1,510)$ per year.
- The increase of state revenue attributable to fines is estimated to be \$28,700 $(\$30,200 - \$1,500 = \$28,700)$ per year.
- The decrease of state revenue attributable to offenders no longer being required to pay court costs is estimated to be \$4,900 $(650 \text{ current convictions} \times 75\% \times \$10 = \$4,875)$ per year.
- Pursuant to Tenn. Code Ann. § 67-4-602(a), the privilege tax on litigation in this state is \$29.50.
- The decrease of litigation tax revenue attributable is estimated to be \$14,400 $(650 \text{ current convictions} \times 75\% \times \$29.50 = \$14,381)$ per year. Approximately \$13,700 would go to the state; approximately \$700 would be retained by county clerks.
- The net increase to state revenue is estimated to be \$10,100 $(\$28,700 - \$4,900 - \$13,700 = \$10,100)$ per year.
- The net increase to local government revenue is estimated to be not significant $(\$1,500 - \$700 = \$800)$.
- Any increase to state or local government expenditures is estimated to be not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/rnc